

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: June 2, 2010]²

Bill No. and sponsor: S. 2157 (Mr. Arlen Specter of Pennsylvania et al.).

Proponent name,³ location: PPG Industries, Pittsburgh, PA.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Poly(melamine-*co*-formaldehyde) methylated butylated (CAS No. 68036-97-5) (provided for in subheading 3909.20.00).

Check one: ☐ Same as that in bill as introduced.
☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a highly-alkylated, mixed ether melamine-formaldehyde resin that is used as a binder in electrodeposition paints. This product is supplied as a colorless, water-insoluble liquid. Its main use is as a binder for high-solid coating formulations. The product is imported from Japan.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3909.20.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports ^a	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000
Customs revenue loss ^b	\$65,000	\$97,500	\$130,000	\$162,500	\$195,000

^{a/} Dutiable import estimates were based on Commission and industry estimates.

^{b/} At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
PPG Industries (Proponent) William Ries, 412-434-1717, wries@ppg.com Rebecca Tomei, rtomei@ppg.com	02/05/2010	No	No	No
Air Products and Chemicals, Inc. Steven Belaus, BELAUSSB@airproducts.com	02/10/2010	No	No	No
Arch Chemicals Chris Cice, cjcice@archchemicals.com	02/19/2010	No	No	No
Bayer Corporation Karen Niedermeyer, karen.niedermeyer.b@bayer.com	02/10/2010	No	No	No
Dow Chemical Company Lisa Schroeter, LMSchroeter@dow.com	02/10/2010	No	No	No
Dupont Elaine M. Olsen, Elaine.M.Olsen@usa.dupont.com Brian Curtis, Brian.Curtis@usa.dupont.com	02/10/2010	No	No	No
Efficient Global Trade, Inc. Henry P. Stoebenau, hstoebs@aol.com	02/10/2010	No	No	No
Evonik Industries Ron Birnbaum, ron.birnbaum@evonik.com	02/10/2010	No	No	No
Hexion Specialty Chemicals, Inc. Paul W. Langemeier, paul.langemeier@hexion.com	02/10/2010	No	No	No
Huntsman Corporation Peter De Vries, peter_de_vries@huntsman.com	02/19/2010	No	No	No
Lanxess Corporation Jamie Schaeffer, jamie.schaeffer@lanxess.com	02/10/2010	No	No	No
Lucite International, Inc. Kathy Fewell, kathy.fewell@lucite.com Troy Harpole, troy.harpole@lucite.com	02/10/2010	No	No	No
MCT INTERNATIONAL Max Turnipseed, mctint@att.net	02/10/2010	No	No	No
Reichhold, Inc. Edward R. Leydon, ed.leydon@reichhold.com	02/10/2010	No	No	No
Shell Chemical Company Steve Chin, steve.chin@shell.com	02/19/2010	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used in the proposed new heading in order to incorporate the proper IUPAC nomenclature and to provide a better chemical description.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

111TH CONGRESS
1ST SESSION

S. 2157

To suspend temporarily the duty on alkylated melamine formaldehyde resin;
melamine, formaldehyde polymer, methylated, butylated.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. SPECTER (for himself and Mr. CASEY) introduced the following bill; which
was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on alkylated melamine
formaldehyde resin; melamine, formaldehyde polymer,
methylated, butylated.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ALKYLATED MELAMINE FORMALDEHYDE**
4 **RESIN; MELAMINE, FORMALDEHYDE POLY-**
5 **MER, METHYLATED, BUTYLATED.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

“	9902.01.00	Alkylated melamine formaldehyde resin; melamine, formaldehyde polymer, methylated, butylated (CAS No. 68036-97-5) (provided for in subheading 3909.20.00)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
 2 subsection (a) applies to goods entered, or withdrawn from
 3 warehouse for consumption, on or after the 15th day after
 4 the date of the enactment of this Act.

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